

Transcript of the President's News Conference on Foreign and Domestic Matters

Following is a transcript of President Carter's news conference in Washington yesterday, as recorded by The New York Times:

OPENING STATEMENT

Thank you. Since last November, 53 Americans have been held captive in Tehran, contrary to every principle of international law and human decency. The United States decided to implement a series of nonviolent, but punitive, steps designed to bring about the release of our hostages.

In January, we received information and signals from the Iranian authorities that they were prepared to enter into serious discussions to bring about the release of the hostages. At that time, the United States decided to defer additional sanctions and then these discussions resulted in commitments from the top authorities in Iran, including a transfer of the hostages to Government control to be followed by their release.

These commitments were not fulfilled. Earlier this month, April 2, I announced a series of economic and political actions designed to impose additional burdens on Iran, because their Government was now directly involved in continuing this act of international terrorism.

This process is moving forward. We've imposed economic sanctions with Iran. Recently, a number of other nations have recalled their ambassadors, and these countries are now considering sanctions they may be prepared to invoke in the near future.

Even while these deliberations continue, officials in Iran talk about not solving the hostage issue until July or even later. We're beyond the time for gestures; we want our people to be set free.

Accordingly, I am today ordering an additional set of actions. First, I am prohibiting all financial transfers by persons subject to the jurisdiction of the United States to any person or entity in Iran, except those directly related to the gathering of news and family remittances to the hostages. As of today, any such transfer would be considered a criminal act.

Second, all imports from Iran to the United States will be prohibited. Third, I intend to exercise my statutory authority to prohibit American citizens abroad by prohibiting travel to Iran, and by prohibiting any transactions between Americans and foreign persons relating to such travel or the presence of Americans in Iran.

Again, this authority will not now be used to interfere with the right of the press to gather news. However, it is my responsibility and my obligation, given the situation in Iran, to call on American journalists and news-gathering organizations to minimize as severely as possible their presence and their activities in Iran.

Fourth, I am ordering that all military equipment previously loaned to the Government of Iran which I had previously impounded, be made available for use by the United States military forces or for sale to other countries.

And finally I will ask Congress for discretionary authority to pay reparations to the hostages and to their families out of the more than \$8 billion in Iranian assets in the United States. These assets will be available to satisfy contract and other commercial claims of American firms against Iranian Government entities, and to reimburse claims of the United States for the heavy military and civilian losses incurred because of Iran's illegal actions.

Further Measures Weighed

If a constructive Iranian response is not forthcoming soon, the United States should and will proceed with other measures. We will legally forbid sales of food and medicine within the United Nations charter, as you know, stipulates interruption of communications as a legitimate sanction. Accordingly, I am prepared to initiate consultations with the member nations of the United Nations to bar Iran's use of international communications facilities.

The measures which I am announcing today are still nonbelligerent in nature. They are a continuation of our efforts to resolve this crisis by peaceful means. The authorities in Iran should realize, however, that the availability of peaceful measures, like the patience of the American people, cannot be taken for granted. I am compelled to repeat what I have said on previous occasions. Other actions are available to the United States and may become necessary if the Government of Iran refuses to fulfill its solemn international responsibility. The American hostages must be freed.

QUESTIONS AND ANSWERS

Sanctions on Iran

Q. Mr. President, what have you accomplished with these sanctions so far? And, have you set a deadline for a new belligerent stand? And, also, do you have any reason to believe that the allies are going to back up our actions, or are they?

A. From the very beginning of the crisis in Iran brought about by the seizure of our hostages, I have had two goals in mind from which we have never deviated. First of all to protect the interests of our country and its principles and standards. And, secondly, along with it on an equal basis, to protect the lives of the hostages and to work as best I could under the most difficult possible circumstances to secure the release of our hostages safely and to free them.

We have had three options available to us: economic, political and military. So far, we have only exercised the economic and the political measures. In the Court of Justice in the United Nations, in our own economic actions, which are now inflicting punishment on Iran's economy, and in the marshalling of support among other countries.

I can't predict to you exactly what other nations will do. In recent days, I have communicated with a number of the major nations' leaders asking them to take peaceful action, economic and political, join with us in the isolation of Iran that they are becoming increasingly isolated from the rest of the civilized world and increasingly vulnerable to dissension and fragmentation.

Let me say just a few words about our economy before I answer questions. We have been going through difficult times with high inflation and with extremely high interest rates. We are taking steps to bring these under control and we are beginning, after only a month of the anti-inflation program being announced, to make some progress.

However, we are now entering a very difficult transition period, when recent economic statistics suggest that our economy has slowed down and has probably entered a period of recession. Believe that any recession will be mild and short. But I'm deeply concerned about how it affects the people of our country.

When I see automobile plant closings, or a sharp drop in housing construction, or very high interest rates for farmers during the planting season, I know the pain and I know the disruption and the heartache that lie below the cold statistics.

But I also know that we cannot substantially reduce interest rates, and we cannot make jobs secure, until we get the inflation rate down.

A month ago I set a series of tough anti-inflation measures. The Congress has been doing an excellent job in carrying out its part, by cutting down the projected Federal spending, leading toward a balanced budget for next year.

If we maintain self-discipline—all of us—this program will work to cut inflation, to reduce interest rates and to create the conditions for healthy growth both in jobs and in economic output.

Certain sectors of our economy—of the American people—are particularly hard hit. And within our budget constraints, we are taking steps to make sure those hard hit are helped.

For farmers: a new emergency credit bill, higher target prices for farm products, and setting up of farm reserves to those previously unable to participate in the storage of grain. This will be the price support program.

For housing: I will support an effort to expand the Section 235 program, which will build new rental housing units. Again, within our budget spending limits.

Jobs for Auto Industry

To sustain employment for auto workers, I'm working to encourage more overseas auto makers to invest here in the United States. Honda has already announced that they will open a plant in Ohio. I hope to see a similar move by other auto makers.

For housing: I will support an effort to expand the Section 235 program, which will build new rental housing units. Again, within our budget spending limits.

In the last several weeks, interest rates have been edging down and yesterday they fell more steeply. But they are still very high, and there will be no substantial nor sustained reduction in interest rates until the growing demand for credit is assuaged, and until we get inflation under control.

The next couple of months, in spite of good news recently, we will continue to see bad news on inflation. There are some cost increases still in the pipeline that have not yet been reflected in prices to the consumer.

After that, starting early this summer, the chances are very good for a stable drop in the inflation rate. We should have energy prices that are more stable, compared to last year. And longer interest rates should no longer be rising. Indeed, they should be falling.

There are no quick and easy answers, but there is no reason for fear or pessimism. Our program is good, and our country is strong and sound, and our people are united and determined to meet these challenges together.

Lack of Food Embargo

Q. Mr. President, why didn't you embargo food right now, as some of us had been led to believe you had already decided to do?

A. We have considered extending the embargo to food and drugs, and obviously an item that we could include. We, first of all, are complying with the United Nations Security Council decision of sanctions, and we are encouraging our allies to take similar action. Secondly, because of the attitudes of the American people, the attitude of shippers of food and drugs, this trade is practically nonexistent. As I pointed out to you, it



President Carter at his news conference in the East Room of the White House.

unless there is immediately action on the part of Iran, these items, and the interruption of communications are still available to us for a decision by me.

Mobil Guideline Violations

Q. Mr. President, after Mobil was cited as out of compliance with voluntary wage and price guidelines, they still received two multimillion-dollar Federal contracts. This seems to indicate that sanctions against noncompliance, especially with regard to the oil companies, can be waived. My question is: Are further sanctions being considered against the Mobil Oil Company and other companies, and if so, when will that announcement come?

A. The previous contracts given to Mobil were decided before the war was cited by the Council of Wage and Price Stability. Sanctions against Mobil are being considered. We are negotiating with Mobil on a daily basis to try to force them, through persuasion and because of the pressure of public opinion, to refrain from the American people the overcharges that resulted from their price policies.

We have not yet been successful in convincing Mobil to comply with these voluntary price standards to important to the American people and in my judgment so important to the stature and reputation of Mobil Oil as a responsible member of the American economic community. I cannot predict to you what Mobil will do. If they do, we will continue to let the American people know about the irresponsibility of Mobil and we will also continue to let the bounds of the law from benefiting from government contracts.

Military Ambiguity on Iran

Q. Mr. President, there's been some ambiguity—perhaps partly deliberate—about the circumstances and timing of military measures if they are to be taken against Iran. One element in that ambiguity was a remark you made in an interview with European television last week that suggested that if our allies support us sufficiently in taking

sanctions, then it might be less necessary for you to take unilateral military measures. My question is to what extent the timing of military measures depend on what our allies do, and to what extent does it depend simply on the Iranian response?

A. It depends on three factors. One is the effectiveness of the accumulation of economic and political sanctions that we have taken against Iran. Secondly, it depends upon the effectiveness of the sanctions to be imposed upon Iran by other nations in the world, including some of our key allies. And, thirdly, most importantly, of course, it depends upon the response of Iran to these actions and the condemnation of the rest of the world.

I do not feel it appropriate for me to set a specific time schedule for the imposition of further actions, which may include military action. But it's an option available to me. I think our key allies understand the time frame under which we are acting and making our plans, and their decisions about the timing of their actions, perhaps, by the messages that I have exchanged with them both by cable and by direct telephone conversations.

Jordan as Envoy to Iran

Q. Mr. President, there have been reports that you have designated Hamilton Jordan as your personal envoy to Iran to negotiate on the hostages; and that generally he has become one of your chief foreign policy advisers. Could you explain to us some of the new functions of his and his qualifications for them; and also confirm a report that he is one of more of his secret missions he were a more and other disputes?

A. I've never known about any disputes or wigwags. Hamilton is not one of my major foreign policy advisers. He does not claim to be an expert on foreign policy.

Hamilton is very valuable to me in the proper interpretation of foreign policy decisions with domestic decisions. He does attend most of my high-level discussions on both domestic matters and foreign policy matters.

Almost every member of the White House staff who is involved directly or

indirectly in international affairs, and also those in the State Department— and perhaps even those in the Justice Department—have been involved at various times in the attempt that we have made to convince the Iranian Government and their officials to release the hostages. This does include Hamilton; but he's not designated exclusively at all to play this role.

Deadline on Hostages

Q. Mr. President, you mentioned that there's a statement from Iranian officials that they may not consider the hostage question until July. Without talking about a deadline, is that acceptable? Can it go on that long? A. I would think that would be an excessive time for us to wait.

Price of Military Action

Q. Mr. President, despite the compelling objective of obtaining the release of our hostages, is there the possibility that a future military action by the United States, even including a blockade, might be too high a price to pay, in terms of the damage to the allied supplies and the further risk of war?

A. That's a balance that I will have to assess and on which make the ultimate decision. I have not discussed specific military steps with our allies that I might take. I think they are familiar through news reports and through just common sense analysis of those available to us, that the interruption of commerce with Iran is a kind of step that would be available.

We announced in November— I think Nov. 20—that this was one of those steps that we would reserve for ourselves to take in the future. I think we used the phrase "interruption of commerce with Iran." It would be so severe that it would be tantamount to a complete embargo for Iran, and much less severe for any particular customer of Iran.

Because of sanctions against Iran, and because of the fragmented nature of their own economic system, and because of the inability of their spare parts and continue their exploratory operations or the production of oil, their ships and their presence in the international markets have dropped precipitously. So a total interruption of Iranian shipments to other countries would be a devastating blow to those countries. It would certainly be an inconvenience. It would certainly be serious. And we have been trying to avoid that kind of action and we are still attempting to avoid that kind of action.

But I cannot preclude that option for the future, if it becomes necessary.

Timing of Announcements

Q. Mr. President, some of your critics, especially those who work for Senator Kennedy, have suggested that your timing of these actions on Iran—many of them seem timed to influence the Presidential primaries. They cite the fact that the morning of the Wisconsin primary and I'm sure will point out that today's announcements, and this press conference, come just a few days before the Pennsylvania primary. What's your response to that?

A. I would like for you to look at the calendar since the First of January and find a time that wasn't immediately before or immediately after primaries. As you know, we have 35 primaries this year in a period of about five months—which is an average of seven primaries per month. And I have never designed the announcement of an action to try to color or modify the actions of voters in any particular primary.

These occurrences are too serious for our nation and the particular situation to which you refer, in Wisconsin, was a time when we had negotiated for many weeks in anticipation of such an announcement—that the hostages would be transferred to control of the Government and subsequently released.

That decision came through official action by the Iranian Government—the Revolutionary Council—President Bani-Sadr made the announcement that the hostages would be released, about noon time Iranian time. It was a completely appropriate time for it to be announced.

But I do not make, and have not made, and will not make, decisions nor announcements concerning the lives and safety of our hostages simply to derive some political benefit from them.

Is Job of President Too Big?

Q. Mr. President, it seems a lot of people, it seems, don't find your effectiveness too great these days—we find this in the polls and elsewhere and at

least it is not as high as they'd like; not as good as they'd like. My question is this: Is the job today of being President too big, too complex for a President, any President? Are there too many factors outside of your control to be effective?

A. The job is a big one, there's no doubt about that. Under any normal circumstances being President is not an easy task. The greatness and strength of our country, the support of the American people, the derivation to democratic processes of authority and responsibility and the ability to act is a reassuring thing to me and all my predecessors who've served in this office and lived in this house.

This year, almost—almost in a unique way we had additional responsibilities. I think it's been 25 or 30 years, for instance, since an incumbent Democratic President had to run a political campaign while he was in office. I don't deplore that—the right of any opponents to run is theirs. But that's an additional complicating factor.

There was obviously an additional burden for our entire nation—not just for me—to have American hostages captured in Iran and to have the Soviet Union invade Afghanistan, and the departure from 25 years of policy, on their part, not to use their own military forces to cross the borders into a previously undominated country.

The combination of these three factors, in addition to very high interest rates and inflation rates brought about primarily by worldwide escalation in oil prices, has made this an extremely difficult job—even compared to normal times.

I don't deplore it and I'm not trying to avoid the responsibilities. And I believe that the action of the American people so far, during the electoral process, has not been a complete endorsement of what I have done or what I have accomplished. But I think the results so far, compared to what was anticipated six months ago, in spite of these unpredictable kinds of crises that have afflicted our nation, have been very gratifying to me and are indicative of the American people are fairly well satisfied.

We've got problems, yes. But I am not resigning and I am not retiring. I don't think the American people should be either.

Ban on Travel to Iran

Q. Mr. President, would the action that you announced today, which bars families of hostages and other humanitarian-minded Americans from traveling to Iran, assuming of course that the terrorists will allow them into the Embassy? A. Yes it would unless they have received specific permission from the State Department or the Attorney General.

Foreign Auto Makers in U.S.

Q. Mr. President, you've just recently encouraged foreign auto makers to invest in plants in this country. Presumably to hold the jobs that in recent days the auto workers are claiming they've lost. A significant number of jobs and suggestions of putting restrictions on foreign imports, at least as a short-term remedy and as a specific protection for the American auto industry. I wonder how you feel about this friction point?

A. I'd like to respond to your question without it characterizing it as a criticism of anyone. I remember the first few months that I was President sitting in the Cabinet Room in the White House to the Oval Office, talking to the leaders of the American automobile manufacturers, encouraging them to comply with the impending legislation of the Congress to regulate the production of small and efficient automobiles for the American market.

Their unanimous reply was that this was an inappropriate thing for them to do—that the market was not there for the small and efficient automobiles. Subsequent events, which could not be completely predictable, have shown that the American people are now demanding, in order to conserve energy, the small and efficient automobiles—precisely the kind of car that we were encouraging them to make three years ago or more.

At this moment every single small, efficient automobile that can be produced by American manufacturers has a ready market because they are in transition from the production of large gas-guzzling automobiles to the manufacture of the small and efficient cars—there is a real transition phase in employment and American production because the market's not there for the big, heavy, inefficient automobiles. So to replace the number of cars that Americans could be producing that are small and efficient that are not being produced, foreign imports are coming in at a very high level.

There are several things that we could do—we could prevent those foreign cars from coming in to deprive the American consumer from buying them, which would drive up the price of domestically produced small cars enormously, or we could limit in Americans having to buy the large and inefficient gas-guzzlers which they do not want. I think that would be ill-advised. So we're trying to carry over as best we can during this transition phase, minimal damage to the American automobile worker as I described in my statement, encouraging the American manufacturers to shift to the small and efficient cars as rapidly as possible and as an additional thing encouraging Volkswagen and other foreign manufacturers to come into the United States to employ American automobile workers, highly trained, to produce the foreign designs during that period.

Later, I have no doubt that the American manufacturers, who are highly competent, will make superb vehicles, will rapidly shift to the small and efficient cars. When they do, I think the foreign imports, even if they are manufactured here, will have a much more competitive market, but I cannot see how imports of small foreign cars that American consumers want just to protect an industry that is now

Continued on Following Page